



COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS
AND BUSINESS REGULATIONS
DIVISION OF ENERGY RESOURCES

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November 14, 2002

Mary J. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station, 2nd Floor
Boston, MA 02110

RE: D.T.E. 01-106

RE: Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, § 105 and G.L. c. 164, § 76 to investigate increasing the penetration rate for discounted electric, gas and telephone service.

Dear Secretary Cottrell:

Enclosed for filing please find an original and fifteen copies of the Massachusetts Division of Energy Resources comments in the above referenced proceeding.

Thank you for your attention in this matter. If you have any questions or need additional information, please contact me at 617-727-4732 x205.

Sincerely,

Eileen McHugh
Consumer Education/Public
Procurement Team Leader
Division of Energy Resources

DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

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COMMENTS OF THE COMMONWEALTH OF MASSACHUSETTS

DIVISION OF ENERGY RESOURCES

The Massachusetts Division of Energy Resources (“DOER”) appreciates the opportunity to submit comments concerning the Department of Telecommunications and Energy (“DTE”, “Department”) Request for Comments, D.T.E. 01-106.

The Department solicited comments regarding two methods to facilitate the enrollment of eligible customers onto utility discount rates. After providing some background on DOER’s prior recommendations in its “Electric Discount Rate Outreach and Eligibility Report: Findings and Recommendations,” we shall comment on each of the questions posed by the Department in chronological order.

Background

In our report, “Electric Discount Rate Outreach and Eligibility Report: Findings and Recommendations,” published in January 2002, DOER concluded that despite substantial compliance with its Outreach and Eligibility guidelines [created pursuant to

M.G.L. c. 164, §1F (4)(i)], electric distribution companies reached only twenty-seven percent of the eligible households in 1999. In an effort to increase enrollment, DOER made several recommendations, among them the creation of a universal waiver and a computer-matching program between state and federal agencies and the electric distribution companies. The universal waiver allows state and federal agencies to exchange data with other agencies and companies that offer discount programs or services to their clients.

Question 1: Should the Department of Transitional Assistance (“DTA”) and the Division of Medical Assistance (“DMA”) use a check box to allow clients to grant the agencies authorization to release eligibility information to utilities?

The check box requirement is similar to the universal waiver previously recommended by DOER in its report. DOER supports the check box as a way to inform customers of the availability of the utility discounts and also as a way to streamline the enrollment of those customers. Additionally, DOER recommends the check box be expanded to all state agencies offering qualifying benefits.

The language accompanying the checkbox should also make clear that receipts of this benefit *may* entitle the recipient to the utility discounts, as placement on the rate also depends on income and other eligibility criteria¹.

¹ M.G.L. c. 164, §1F (4)(i)].

Question 2: As an alternative to the use of a check box, should applicants be required to authorize the release of eligibility information as a condition to applying for public benefit programs?

While DOER supports the use of the checkbox on application forms for public benefit recipients, we do not support mandating applicants to give their authorization to share their personal data. This may cause some applicants to withdraw their applications. Even in states such as New York, which automatically sign up customers for utility discounts, clients have the option to opt out of the program.

In the alternative, DOER recommends that the checkbox option allow customers to select a yes or no option to sharing their information with other agencies and the utilities. This allows those customers who wish to participate to do so, while also allowing the state agency to keep track of what percentage refused. This way if there are discrepancies between those receiving the qualifying benefit and those on the discount rates, there will be a record of the number of refusals.

Question 3: What are the costs/benefits of establishing a model where a central entity gathers relevant information from Community Action Programs/grantees and government agencies and shares eligible customer information with utilities?

DOER supports the recommendation of a central entity to collect information to be shared with the utilities from the grantees and state agencies handling qualifying benefits. M.G.L. c. 164, §1F (4)(i) expressly provides for establishing an automated program to facilitate the exchange of information between agencies/grantees and the electric utilities.

“Outreach may include establishing an automated program of matching customer accounts with lists of recipients of said means-tested public benefit programs and based on the results of said matching program to presumptively offer a low-income discount rate to eligible customers so identified....”

Furthermore, DOER outlined this option for the electric utilities as Option Two of its Eligibility Guidelines. In Option Two the mailhouse (central entity) informs the electric distribution companies of the identity of those customers who are eligible for the discount rate. The electric distribution companies then assign the customers to the RDR.

As to the costs and benefits, DOER believes that this recommendation streamlines the process and removes the customer’s obligation to submit an application. Additionally, the utility would receive a list in an electronic format. Most of the electric distribution companies employ some type of electronic record swapping to assist in verifying eligibility. Both the Department of Transitional Assistance and LIHEAP use this process, but not for all qualifying benefits. DOER proposes that this system should be implemented throughout all the benefit agencies.

New York State implemented a computer-matching program to alleviate the application burden on utility customers. The telephone utility, Verizon, administers the program. Verizon offers the federally mandated Lifeline program, providing discounted telephone rates for income eligible customers. To ensure that all customers receiving public benefits receive Lifeline, New York reached an agreement with Verizon to set up an independent third party mailhouse that matches Verizon's customer names against the names of people receiving benefits. Verizon and the mailhouse negotiated and executed privacy protection agreements with the state and federal benefit agencies. Now, when Verizon receives the matching names, it automatically enrolls the customer in the Lifeline program and sends a card informing him/her of the enrollment. The customer then has the prerogative to opt-out of the program if he/she so desires.

The state of Texas has also gone to a central entity to collect data from its Department of Health and Human Services and its public utilities. Under the Texas model, the NCS Pearson Company-a database collection company-collects all the information from its agencies and then matches them against the utility customer lists and sends the matches to the utilities.

Question 4: Should MassCARES be used as the Central Information Storehouse for an automated matching program for utility discount rates?

MassCARES is the initiative launched by the Commonwealth's Executive Office of Health and Human Services (EOHHS) to enhance the delivery of human services for

its agencies. For this proceeding, the most relevant part of the MassCARES' system is its initiative to create a central information storehouse (based on EOHHS's effort to construct a single database providing an unduplicated count of all consumers across all 15 of its agencies). This initiative is similar to the type of central entity for collecting and disseminating data between the utilities and benefit agencies and grantees that DOER recommended in its report.

Despite this similarity, there are concerns about using MassCARES as the central information storehouse. First, MassCARES is currently being used to house information from its own agencies. Can MassCARES expand its system to take information from the other state and federal agencies that offer qualifying benefits as well as from the numerous grantees that collect applications for the LIHEAP program and the data from utility companies. Additionally, can MassCARES handle the different data formats the client information is stored in. Another concern is the ability of MassCARES to match the names of the recipients to the utilities' customer names, creating a list to be sent to each utility of qualified customers.

DOER recommends a pilot for those agencies in EOHHS that offer qualifying benefits. In this pilot, the agencies would send their client list to MassCARES and the utilities would send their customer lists. MassCARES would match the two lists and send the utilities back the list of customers who qualify for the discount rate.

DOER also recommends that the utilities begin work on an Request for Proposals (RFP) for a central information storehouse that can execute the type of data gathering, matching and dissemination required for implementing computer-matching.

Conclusion

DOER supports the recommendations of the working group to add a check box for new applicants to the Department of Transitional Assistance and the Division of Medical Assistance, granting the agencies authorization to release eligibility information to utilities. DOER also recommends the Department work to add the check box to all agencies that offer qualifying benefits for utility discounts.

DOER does not support the recommendation that applicants be required to authorize release of their eligibility to utilities as a requirement for receiving a public benefit. Applicants should retain the right to refuse to release their information to programs other than the one for which they are applying. DOER recommends a yes or no option with the check box that allows agencies to keep track of the number of clients who refused to release their information.

DOER also supports the creation of a central entity to gather client and customer lists from the benefit agencies/grantees and the utilities for the purpose of

computer-matching. DOER believes a computer-matching program run through a central entity will streamline the process for getting qualified recipients enrolled on the discount rate.

Finally, DOER supports the use of MassCARES in a pilot for the agencies of the EOHHS that offer qualifying benefits. DOER also recommends the utilities creating an RFP to be approved by the Department and DOER for a central information entity.

Respectfully submitted:

Eileen McHugh,
Consumer Education/Public
Procurement Team Leader